

Why Apply

“Applying for the Baldrige Award will help U.S. companies improve their competitive performance. The application and review process for the Award is the best, most cost-effective, and comprehensive business health audit you can get.”

Arnold Weimerskirch
Former Chairperson, Panel of Judges
Malcolm Baldrige National Quality Award
& Vice President of Quality
Honeywell, Inc.



Applying for the Award Is the Path to Excellence!

Accelerate Cooperative Improvement Efforts by Striving for a Common External Goal

“Participating in the Baldrige process energized improvement efforts. That energy resulted from the team motivation that occurs when pursuing a common goal. That trend has continued. We have reduced the number of in-process defects to only one-tenth what they were at the time we won the Baldrige. We now take one week on production processes that several years ago took four weeks. Our cost is now 20 to 30 percent less in many manufacturing areas, as compared to several years ago.”

Phil Roether
Vice President, Product Production Process
Raytheon Systems Company
(includes what was formerly the Texas Instruments
Defense Systems & Electronics Group-DSEG,
1992 Baldrige Award Recipient – Manufacturing)

Gain an Outside Perspective: 300 – 1,000 Hours of Review by at Least Six Business Experts

“In my opinion, win or lose, the greatest value in applying for the Baldrige Award is the feedback report compiled by the Examiners. This objective evaluation prepared by a team of well-trained, hard working experts provided the information and focus necessary for us to cause positive change in our organization.”

Henry A. Bradshaw
Former President, Worldwide
Armstrong World Industries' Building Products Operations
1995 Baldrige Award Recipient – Manufacturing

Receive Valuable Feedback: Detailed Strengths and Opportunities for Improvement

A survey of 1996 Baldrige Award applicants showed that over 80 percent of respondents found the feedback report to be relevant and important in helping their organizations' continuous improvement efforts.

Improve Your Organization's Performance

“More than any other thing, applying for the Baldrige Award encourages a process of corporate introspection. The process provides an unparalleled opportunity to better understand your customers, people, procedures and corporate culture.”

James W. Selzer
Senior Vice President, Customer Care
AT&T Universal Card Services
1992 Baldrige Award Recipient – Service

Your Greatest Benefit – the Feedback Report

The feedback report is a written assessment of a company's strengths and opportunities for improvement based on its Baldrige Award application. It is compiled by a team of leading experts in business – Examiners from within and outside the applicant's industry.

The report includes:

■ The Scoring Summary

A synthesis of the most significant strengths and opportunities for improvement by Category (Leadership, Strategic Planning, Customer and Market Focus, Information and Analysis, Human Resource Focus, Process Management, and Business Results) helps you prioritize your improvement efforts.

■ Individual Scoring Range

For each Category, you will receive a 20 percent scoring range, allowing you to determine your company's relative strengths and opportunities for improvement.

■ Scoring Distribution

The percentage of applicants that scored in each of the eight scoring bands provides a context for your score relative to other organizations.

■ Comments

Actionable, detailed strengths and opportunities for improvement, specific to your organization, are provided for use in your strategic planning process.

Once your company is notified that it will not go on in the evaluation process, your feedback report will arrive within 45 days.

"The Baldrige process forced us to take a long, hard look at our business practices, our people, and our customer relationships in objective and measurable ways which we had not done before. The results were sometimes uncomfortable because both our internal evaluations and objective feedback reports from the outside were not always flattering. They did, however, provide valuable information to help us identify and implement improvements and lead to substantial performance improvements. In fact, many of our competitors now benchmark their operations against ours. The process helped us become a better company."

Edward J. Shultz
Chairman and Chief Executive Officer
Dana Commercial Credit Corporation
1996 Baldrige Award Recipient – Service

Why Companies Say They Do Not Apply

Myth: We don't have the time – it's another “extra” thing to do!

Answer: *“The Baldrige improvement process isn't another thing to do; it is part of, and causes you to do, the only things you need to do.”*

Earl A. Goode
President, GTE Directories Corporation
1994 Baldrige Award Recipient – Service

Myth: Since the feedback isn't prescriptive, we won't know what actions to take to improve.

Answer: *“The value in the Baldrige process is understanding how the Criteria apply to your company and the processes within your company. Successful strategies aren't the same for every industry or even every company within an industry. The Baldrige is one of many templates to use to evaluate your situation and plan your future course. No one can tell you what your company has to do – the value comes in discovering it for yourself.”*

Ko Nishimura
Chairman, President & CEO, Solelectron Corporation
1997 & 1991 Baldrige Award Recipient – Manufacturing

Myth: We will only receive value if we win; we don't want to be second.

Answer: *“The Baldrige Application process itself is an investment in future success that every American company should be making. The Baldrige process isn't about receiving an award, it's about discovering what your company is really about – that's what winning is. In fact, we 'won' three times before we won the Award.”*

Bruce W. Woolpert
President and CEO, Granite Rock Company
1992 Baldrige Award Recipient – Small Business

Myth: We don't want to have to share – the burden is too great.

Answer: *“What we have gained from winning the Baldrige Award – improved results, new customers, benchmarking partners, recognition, learning from other world class companies, and internal motivation – outweighs any “sharing costs” that we have incurred. Sharing the Baldrige story is manageable – and, more importantly, it is mutually beneficial and the best possible way to make a contribution to your country's competitive success.”*

Joel D. Marvil
Chairman and CEO, Ames Rubber Corporation
1993 Baldrige Award Recipient – Small Business

Myth: We don't have to use the Baldrige Criteria to get results – our results are great.

Answer: *“Customer demand for reliable and innovative services continues to grow at an astounding rate. Just keeping pace isn't good enough. Using the Baldrige Criteria puts us one step ahead.”*

Frank Ianna
Executive Vice President, Network and Computing Services
AT&T Consumer Markets Division
(AT&T Consumer Communications Services, a 1994 Baldrige Award Recipient – Service, is now part of the Consumer Markets Division of AT&T)

Performance Excellence Pays; Award Recipients Continue to See Benefits

Globalization:

Eastman Chemical Company (1993 Baldrige Award Recipient – Manufacturing) continues to move toward its globalization goals to increase sales outside the U.S. to 50% of total sales and to increase manufacturing assets outside the U.S. to 30%. From 1993 through 1997, sales outside the U.S. have grown from 32% to 39% of total sales, while manufacturing assets outside the U.S. have grown from 6% to 21% for the same time period.

Time to Market:

IBM Rochester's (1990 Baldrige Award Recipient – Manufacturing) make-to-market cycle time has been reduced by 23%, and its manufacturing cycle time has been reduced 160% since 1990. This allows it to direct ship “build-to-order” AS/400 computers to customers within four days of order receipt, versus 28 days in 1990. The company's on-time shipment commitment has been improved by 63% with 1997 levels exceeding 99% on-time delivery.

New Product Sales:

Over the last 10 years, **3M Dental Products Division** (1997 Baldrige Award Recipient – Manufacturing) has doubled global sales and market share, and, from 1991 to 1996, it doubled its rate of profit. In addition, products introduced within the last five years now account for 45 percent of total annual sales, up from 12 percent in 1992.

Employee Involvement:

Milliken & Company's (1989 Baldrige Award Recipient – Manufacturing) “Pursuit of Excellence” process continues to evolve after starting the journey 17 years ago. For the last six years, each associate submitted 50-60 “Opportunities for Improvement,” and last year, Milliken associates participated on over 13,000 teams. Associates were formally recognized in the company's Sharing Rally. Milliken celebrated its 139th Sharing Rally this year.

Customer Satisfaction:

Through its surprise and delight strategy, **Custom Research Inc. (CRI)** (1996 Baldrige Award Recipient – Small Business) exceeded clients' expectations on 73% of its projects in 1996, up from 47% in 1988. In addition, this was CRI's best year ever in sales and profits, demonstrating that “quality pays” for small firms too.

The Ritz-Carlton Hotel Company (1992 Baldrige Award Recipient – Service) reports that 75% of its customers would not use a competitor regardless of the offer.

Return on Assets:

Merrill Lynch Credit Corporation (1997 Baldrige Award Recipient – Service) saw an increase in return on equity of approximately 74% between 1994 and 1996. Return on assets rose approximately 36% and net income increased 100% over the same time period.

Return on assets, a major financial indicator for **Xerox Corporation Business Products and Systems** (1989 Baldrige Award Recipient – Manufacturing), improved 47% over the past three years.

Employee Productivity:

Over the past ten years, **Motorola, Inc.’s** (1988 Baldrige Award Recipient – Manufacturing) employee productivity has increased 223% through robust design, continuous improvement, defect reduction, and employee education and empowerment.

Research and Development:

By applying total quality management concepts to its R&D operations, **Marlow Industries, Inc.** (1991 Baldrige Award Recipient – Small Business) has been able to form a virtual lab with leading scientists and laboratories from across the world.

Market Share:

By building on its total quality foundation, the **Westinghouse Commercial Nuclear Fuel Division’s** (1988 Baldrige Award Recipient – Manufacturing) Time-Based Management strategy has helped the division to sustain its 60% U.S. and 20% worldwide market share and create value for its customers by having shorter cycle times for product development and manufacturing with a 25% reduction in 1996.

Employee Empowerment:

Trident Precision Manufacturing, Inc. (1996 Baldrige Award Recipient – Small Business) empowers its employees to make process improvements, implementing 98% of its employees’ suggestions. In fact, 95% of the improvement at Trident comes from its own resources and people. Trident received over 2200 process improvement suggestions in 1996 from its 170 employees.

Revenue:

ADAC Laboratories’ (1996 Baldrige Award Recipient – Manufacturing) revenue per employee has gone from \$175,000 per employee to over \$325,000 per employee in the last several years. Its U.S. market share has increased from 12% to 50%.

Since winning the Baldrige Award in 1988, **Globe Metallurgical Inc.** (1988 Baldrige Award Recipient – Small Business) has experienced a 204% increase in revenues and a 310% increase in profits. The company set 67 new production records in 1996.

Xerox Business Services (1997 Baldrige Award Recipient – Service) has experienced revenue growth of over 40% for the past two years. In less than five years, XBS has grown into a \$2 billion division with projections to reach \$6 billion by 2000.

From 1990 through 1996, **Zytec Corporation’s** (1991 Baldrige Award Recipient – Manufacturing) revenues grew 309%, and its net income grew 878%. (As of 12/29/97, Zytec Corporation merged with Computer Products and formed Artesyn Technologies).

Product Reliability:

Based on the 1997 J.D. Power & Associates Vehicle Dependability Study, **Cadillac Motor Car Company** (1990 Baldrige Award Recipient – Manufacturing) continues to be ranked among the top automotive nameplates in initial product quality, sales and service satisfaction, and five-year dependability.

Since 1989, Lucent Technologies, Inc., Network Systems (includes what was formerly **AT&T Network Systems, Transmission Systems Business Unit**, 1992 Baldrige Award Recipient – Manufacturing) has improved productivity by 150% and product reliability by 75%.

Cycle Time:

Wainwright Industries, Inc. (1994 Baldrige Award Recipient – Small Business) has reduced its customer reject rate by 91% and cycle time by more than 90% using the Baldrige framework to drive implementation of more than 10,000 associate quality and process improvement suggestions each year since 1994. Customer satisfaction reached an all-time high of 98% in 1997.

Cost Reduction:

In the last five years, **Federal Express Corporation** (1990 Baldrige Award Recipient – Service) has increased its operating income by 147%, while reducing costs per parcel (its primary indicator of efficiency) by 20%.

Common Stock Comparison Study Shows Correlation Between the Use of the Baldrige Criteria and Increased Stock Market Performance

A comparison of Baldrige Award recipients to the Standard & Poor's 500 (S&P 500) shows that each of two groups—the 18 publicly traded, 1988-1996 Baldrige Award recipients, and the six publicly traded, whole company Award recipients—outperformed the S&P 500 by approximately 2.5 to 1.

Each of the two other groups—the 52 publicly traded, 1990-1996 site-visited applicants, and the 10 whole company, site-visited applicants—outperformed the S&P 500 by approximately 80%.

Apply Now

*"Internal assessments play a valuable role.
However, at some point in the journey,
you need the outside perspective
that only an application can secure."*

Wendell Weeks
Senior Vice President and General Manager
Corning Telecommunications Products Division
1995 Baldrige Award Recipient – Manufacturing

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